



U.S. Department of Justice

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NEWS SUMMARY

Obstruction & wire-fraud conspiracy charges added in \$250 million coupon fraud scheme

United States Attorney Steven M. Biskupic announced today that a federal grand jury in the Eastern District of Wisconsin has returned a superseding indictment against 9 executives of International Outsourcing Services (“IOS”) and 2 others accused of running a coupon fraud scheme that caused over \$250,000,000 in loss to manufacturers nationwide.

In March 2007, a grand jury indicted International Outsourcing Services, Inc. (IOS), and the following 11 individuals on 25 counts of wire fraud: Thomas C. Balsiger; Bruce A. Furr, Steven A. Furr, Lance A. Furr, William L. Babler, Ovidio H. Enriquez, David J. Howard, Howard R. McKay, James C. Currey, Daxesh V. Patel, and Bharatkumar K. Patel.

In May 2007, after IOS had changed management and had agreed to cooperate fully with law enforcement in its ongoing investigation and take other steps, the United States agreed to dismiss without prejudice the charges pending against the corporation.

The superseding indictment returned today added two charges to the pending case. Count Twenty-Six charges all 11 defendants with taking part in a wire-fraud conspiracy that ran from 1996 to 2007. Count Twenty-Seven alleges that 7 of the defendants – **Thomas Balsiger; Bruce Furr, Lance Furr, William Babler, Ovidio Enriquez, David Howard, and James Currey** also conspired to obstruct the grand jury:

The obstruction conspiracy alleges that between 2003 and October 2007, the conspirators took a series of actions to obstruct the grand jury’s investigation, including:

- Coaching witnesses;
- Destroying or hiding documents;
- Creating fraudulent documents;
- Causing others to present false information to investigators conducting the grand jury investigation;
- Providing false information to subpoena recipients, intending that the same false information would be presented to the grand jury; and
- Suing, threatening to sue, and threatening to financially harm potential cooperating witnesses.

If convicted of the wire fraud charges (Counts 1-25) or the wire-fraud conspiracy charge (Count 26), individual defendants would face (per count): up to 20 years' imprisonment, up to \$250,000 in fines, up to 3 years of supervised release, and a restitution order covering the amount of established loss. If convicted of conspiring to obstruct justice, each defendant would face up to 5 years' imprisonment, up to \$250,000 in fines, and up to 3 years of supervised release.

The public is cautioned that an indictment is merely the formal method of returning charges against an individual and does not constitute inference of his guilt. An individual is presumed innocent until such time, if ever, that the government establishes his or her guilt beyond a reasonable doubt.

The FBI is the lead agency in this investigation. Anyone who may wish to provide additional information pertaining to this investigation should contact the Milwaukee Office of the FBI at 414-276-4684. This case has been assigned to AUSAs Stephen A. Ingraham, Richard G. Frohling, Matthew L. Jacobs, and Kelly B. Watzka for prosecution.

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For more information contact:

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